

1 IN THE UNITED STATES BANKRUPTCY COURT

2 FOR THE SOUTHERN DISTRICT OF TEXAS

3 HOUSTON DIVISION

4 IN RE: § CASE NO. 22-90341-11
5 § JOINTLY ADMINISTERED
6 § HOUSTON, TEXAS
CORE SCIENTIFIC, INC., ET AL, § TUESDAY,
7 § OCTOBER 31, 2023
DEBTOR. § 1:00 P.M. TO 1:04 P.M.

8 **EMERGENCY MOTION HEARING**

9 BEFORE THE HONORABLE CHRISTOPHER M. LOPEZ
10 UNITED STATES BANKRUPTCY JUDGE

11
12 APPEARANCES: SEE NEXT PAGE

13 (RECORDED VIA COURTSPEAK; NO LOG NOTES)

14
15
16
17
18
19
20 **TRANSCRIPTION SERVICE BY:**

21 JUDICIAL TRANSCRIBERS OF TEXAS, LLC
22 935 Eldridge Road, #144
23 Sugar Land, TX 77478
281-277-5325
www.judicialtranscribers.com

24 Proceedings recorded by electronic sound recording;
25 transcript produced by transcription service.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES :

FOR CORE SCIENTIFIC: WEIL GOTSHAL & MANGES, LLP
Cliff Carlson, Esq.
Alfredo R. Perez, Esq.
Austin Crabtree, Esq.
700 Louisiana
Suite 1700
Houston, TX 77002
713-546-5040

FOR OFFICIAL COMMITTEE OF
UNSECURED CREDITORS: WILLKIE FARR & GALLAGHER
Jennifer Hardy, Esq.
600 Travis Street
Suite 2310
Houston, TX 77002
713-510-1766

(Please also see Electronic Appearances.)

1 **HOUSTON, TEXAS; TUESDAY, OCTOBER 31, 2023; 1:00 P.M.**

2 THE COURT: Good afternoon, everyone. Today is
3 October 31st, I'm going to call the 1:00 p.m. case.

4 Happy Halloween to those who celebrate.

5 22-90341, Core Scientific here on an Emergency
6 Motion to Approve an Amendment to a PSA.

7 I'll take appearances in the courtroom. If you
8 just wish to make an electronic appearance, just please hop
9 on the Southern District of Texas website and make an
10 electronic appearance. If not, I will take appearances in
11 the courtroom.

12 MR. CARLSON: Good afternoon, Your Honor. Cliff
13 Carlson of Weil Gotshal on behalf of the Debtors. Joined
14 with me is Alfredo Perez and Austin Crabtree.

15 THE COURT: Okay. Good afternoon.

16 Ms. Hardy, good afternoon.

17 MS. HARDY: Good afternoon, Your Honor. Jennifer
18 Hardy of Willkie Farr on behalf of the Official Committee of
19 Unsecured Creditors.

20 THE COURT: Good afternoon.

21 Anyone else wish to make an appearance? Please
22 hit five star.

23 (No audible response.)

24 THE COURT: All righty, Mr. Carlson.

25 MR. CARLSON: Thank you, Your Honor.

1 So first off, thank you for hearing us on an
2 emergency basis and we apologize we're having to file this
3 on short notice.

4 The relief we're seeking today is pretty narrow.
5 It's -- we've -- just to get a little bit of background, we
6 finalized this settlement with Celsius. It was approved by
7 the Court in early October. It resolved major litigation
8 between the parties, both in Core's bankruptcy cases and
9 Celsius' bankruptcy cases and before Judge Glenn.

10 As part of that transaction, we sold -- are
11 selling to Celsius the Cedarville facility. And so the
12 settlement was documented in this Purchase and Sale
13 Agreement.

14 The amendment we now need to make is to correct
15 the legal description of the land. At the time of signing
16 the PSA, we had a legal description, but we hadn't had a
17 survey conducted yet. Celsius conducted the survey
18 post-signing, pre-closing and discovered this error that we
19 now need to correct so that we can move forward with
20 closing. The title insurance company that's underwriting
21 the insurance policy is requiring that this amendment be
22 approved by the Bankruptcy Court to issue the policy.

23 And so we are now at a spot where this is the
24 final piece to be able to move forward and close the
25 transaction. We're seeking emergency relief because the

1 closing date is today at 4:00 p.m. Central, and so we'd ask
2 the Court to enter the Order.

3 We're happy to answer any questions and we have
4 Michael Broach (phonetic) from the company available, as
5 well, to the extent Your Honor requires any testimony or has
6 any questions.

7 THE COURT: No. Sounds like it's just a technical
8 tweak that's required. Let me just open it up.

9 Does anyone wish to be heard?

10 (No audible response.)

11 THE COURT: Okay. I'm going to note then that
12 before the Court is a request filed at Docket No. 1366 to
13 approve an amendment to the PSA Agreement, as filed at
14 Docket No. 1366 on October 29th, that seeks emergency
15 relief.

16 I'm going to grant emergency consideration of the
17 motion. I believe it's appropriate under the circumstances,
18 so I'm going to find that notice and service under the
19 circumstances is appropriate.

20 I would -- as Mr. Carlson noted, there's already
21 kind of an Order approving the sale. This is more of a
22 technical modification to that Order and emergency relief
23 was required and I'm going to grant it.

24 I've reviewed the proposed Order. It looks fine
25 to me. Just correcting a legal description, but the deal is

1 still the same, the sale is still the same.

2 So I think it makes sense for me to sign this
3 Order today and I've reviewed the proposed Order.

4 Is the one that you filed at 1366 still the
5 version you want me to sign?

6 MR. CARLSON: That's right, Your Honor.

7 THE COURT: Okay. So I'm going to sign this now.

8 I'm going to ask Ms. Saldana to enter this Order
9 on the docket as quickly as possible. I've sent it to
10 docketing. I'm going to ask her to sign it right now just
11 so that you-all can get this as quickly as possible, hit the
12 docket.

13 MR. CARLSON: Right. Very much appreciated.

14 THE COURT: Happy closing.

15 Anything else we need to talk about today?

16 MR. CARLSON: That's it.

17 THE COURT: All righty. I'm going to stay up here
18 and sign a few Orders, but everyone is excused.

19 Thank you very much.

20 MR. CARLSON: Thank you, Your Honor.

21 THE COURT: Have a good day.

22 (Hearing adjourned at 1:04 p.m.)

23

24

25

* * * * *

1 I certify that the foregoing is a correct
2 transcript to the best of my ability produced from the
3 electronic sound recording of the proceedings in the above-
4 entitled matter.

5 /S/ MARY D. HENRY

6 CERTIFIED BY THE AMERICAN ASSOCIATION OF
7 ELECTRONIC REPORTERS AND TRANSCRIBERS, CET**337
8 JUDICIAL TRANSCRIBERS OF TEXAS, LLC
9 JTT TRANSCRIPT #67844

10 DATE FILED: NOVEMBER 6, 2023
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25